



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

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DATE: October 26, 2006

TO: Fred Headen, Director, Bureau of Local Government Services

FROM: Howard Heideman, Director
Tax Analysis Division *HH*

SUBJECT: U.S. CPI for Taxable Value Cap and Millage Rollback Computation

Based on data released through October 18, 2006, by the United States Department of Labor, the *inflation rate* ratio for the fiscal year ending September 30, 2006, as measured by the U.S. CPI for all urban consumers, is 1.037 (3.7 percent growth).

As shown in the table below, this calculation is calculated as follows: (1) The 12 monthly values for October 2004 through September 2005 are averaged; (2) The 12 monthly values for October 2005 through September 2006 are averaged; (3) The ratio of (2) divided by (1) is calculated.

The backup documentation is the attached table from the BLS Website. The figures used for the calculation are highlighted. If you have any questions, please feel free to contact me.

CPI Data used to Calculate 2007 Taxable Value Cap

	<u>FY 2004 - 2005</u>		<u>FY 2005 - 2006</u>
Oct 2004	190.9	Oct 2005	199.2
Nov 2004	191.0	Nov 2005	197.6
Dec 2004	190.3	Dec 2005	196.8
Jan 2005	190.7	Jan 2006	198.3
Feb 2005	191.8	Feb 2006	198.7
Mar 2005	193.3	Mar 2006	199.8
Apr 2005	194.6	Apr 2006	201.5
May 2005	194.4	May 2006	202.5
Jun 2005	194.5	Jun 2006	202.9
Jul 2005	195.4	Jul 2006	203.5
Aug 2005	196.4	Aug 2006	203.9
Sep 2005	198.8	Sep 2006	202.9
Average	193.5	Average	200.6
		Ratio	1.037
		% change	3.7%

cc: Scott Schrager Terry Stanton Jeff Guilfoyle



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Data extracted on: March 7, 2007 (8:44:14 AM)

Consumer Price Index - All Urban Consumers

Series Id: CUUR0000SA0

Not Seasonally Adjusted

Area: U.S. city average

Item: All items

Base Period: 1982-84=100

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
1997	159.1	159.6	160.0	160.2	160.1	160.3	160.5	160.8	161.2	161.6	161.5	161.3	160.5	159.9	161.2
1998	161.6	161.9	162.2	162.5	162.8	163.0	163.2	163.4	163.6	164.0	164.0	163.9	163.0	162.3	163.7
1999	164.3	164.5	165.0	166.2	166.2	166.2	166.7	167.1	167.9	168.2	168.3	168.3	166.6	165.4	167.8
2000	168.8	169.8	171.2	171.3	171.5	172.4	172.8	172.8	173.7	174.0	174.1	174.0	172.2	170.8	173.6
2001	175.1	175.8	176.2	176.9	177.7	178.0	177.5	177.5	178.3	177.7	177.4	176.7	177.1	176.6	177.5
2002	177.1	177.8	178.8	179.8	179.8	179.9	180.1	180.7	181.0	181.3	181.3	180.9	179.9	178.9	180.9
2003	181.7	183.1	184.2	183.8	183.5	183.7	183.9	184.6	185.2	185.0	184.5	184.3	184.0	183.3	184.6
2004	185.2	186.2	187.4	188.0	189.1	189.7	189.4	189.5	189.9	190.9	191.0	190.3	188.9	187.6	190.2
2005	190.7	191.8	193.3	194.6	194.4	194.5	195.4	196.4	198.8	199.2	197.6	196.8	195.3	193.2	197.4
2006	198.3	198.7	199.8	201.5	202.5	202.9	203.5	203.9	202.9	201.8	201.5	201.8	201.6	200.6	202.6
2007	202.416														

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